the Report and that steps would be taken to create a single, unified exchange-traded market for corporate bonds. The implementation of the recommendations of the Committee would require changes in various statutes.

(d) The measures already taken in respect of implementation of the recommendations of the Patil Committee include:

(i) A Bill proposing amendments to the Securities Contracts (Regulation) Act, 1956 to include securitized instruments within the ambit of "securities" has been introduced in the winter session of Parliament in 2006.

(ii) The RBI Act has been amended to empower RBI to develop and regulate market for Repos in corporate bonds.

(iii) The limit of FN Investment in corporate debt has been increased from US$0.5 billion to US$1.5 billion.

(iv) The Standing Committee of State Secretaries of Stamps and Registration of Department of Revenue have taken up for examination the recommendation regarding stamp duty on debt instruments.

(v) Corporate bond reporting platform has become operational.

(vi) SEBI has informed that the trading platforms for corporate bonds at the major exchanges are expected to be operational from July 1,2007.

Increase in REPO rate

764. SHRI MOTIUR RAHMAN: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India (RBI) has increased REPO rate and if so, the reasons therefor;

(b) whether due to increase in REPO rate, banks have passed on the cost to customers raising interest rate on home, auto and personal loans etc.; and

(c) if so, the steps taken to check the rise in interest rate thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) In view of the current macroeconomic and overall monetary conditions, Reserve Bank of India has increased the fixed Repo Rate by 25 basis points from 7.25% to 7.50% under the Liquidity Adjustment Facility (LAF) effective from 31st January, 2007.

(b) Yes, Sir. Consequent to increase in Repo Rate, most of public sector banks have raised their Benchmark Prime Lending Rates (BPLRs). However, the rate of interest on existing housing and education toans have not been increased.

(c) The interest rates are determined by the banks themselves with the approval of their Board of Directors after taking into consideration factors like cost of funds, operating expenses, transaction cost, risk, etc. in a transparent manner. Though, Reserve Bank of India (RBI) has deregulated the interest rates on advances including housing and other retail loans, it has stipulated that interest rates on advances upto Rs. 2 lakh cannot exceed the BPLR of the concerned bank.

Small and marginal farmers under institutional loans

765. SHRIMATI PREMA CARIAPPA: Will the Minister of FINANCE be pleased to state:

(a) what is the percentage of small and marginal farmers covered under the institutionalized loans by Public Sector Banks, RRBs and Co-operative Banks *vis-a-vis* the total number of small and marginal farmers; and

(b) what efforts have been undertaken by Government to increase the percentage of small and marginal farmers under the institutionalized loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Data Reporting System of Reserve Bank of India does not generate information in the manner asked for. However, data of disbursements to small and marginal farmers published by Reserve Bank of India (RBI) indicates that around 50% of the loans issued by scheduled commercial banks are provided to small and marginal farmers.

(b) In terms of policy of RBI, under the special agricultural credit plan, 40% of direct advances disbursement should be for small and marginal farmers. The target is to be achieved by banks by March 2007. Similarly in